

Weekly World News Digest with Cumulative Index



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WORLD AFFAIRS

SUMMARY. MacArthur predicted a stalemate in Korea. Big 4 Deputies opened talks on Forgn. Ministers' agenda. Western Allies gave West Germany more powers. U.S. Senate Coms. compromised on troops-to-Europe control. U.S. urged world arms census, UN police force by September. Iranian Premier Ali Razmara was assassinated. Tibetan acceptance of Red China's terms reported.

Domestic News. Pres. Truman's would-be assassin was found guilty of murder.

Senate RFC loan probe heard charges of favoritism.

U.S. halted foreign tin buying temporarily to end "gouging."

Senate limited armed forces to 4 million.

Treasury, Fed. Reserve Board settled monetary dispute.

A cotton price "ceiling" was set—40% above pre-Korea.

KOREA

MacArthur Warns of Stalemate. The Korean war "cannot fail" to reach a "theoretical military stalemate" if UN forces must continue to fight a half-way war against Red China, Gen. Douglas MacArthur said in a statement March 7 during a visit to Suwon, near the front below Seoul.

As his armies continued to trade blows with the Reds on a line running eastward from Seoul, MacArthur assessed the situation as follows: The Communists cannot run the present UN force out of Korea, but neither can the UN expel the Communists unless it uses more men and lifts the ban on attacking Manchuria. Under present conditions, the Communists' "supply position will progressively improve" every time they are driven northward and their communications with Manchuria shortened. The Reds' inability to force a decision in Korea "cannot fail to weaken (their) hold upon the Chinese nation" and "dampen (their) ardor for . . . other aggressive adventures in Asia." But UN governments have yet to make "vital decisions" to resolve "obscurities which now becloud" UN objectives in Korea. "No longer is there even a shallow pretense of concern for the welfare of the Korean nation and people" on the part of the Reds. They are "attempting to build up from China a new and massive offensive for the spring" but have "an almost hopeless chance of ultimate military success." [See pp. 66B, 65D]

UN Moves. In Lake Success, N.Y., U.S. delegate Ernest A. Gross said March 7 the question of sending MacArthur more men "doubtless" will come up soon in the Collective Measures Com. group studying ways of resisting Chinese Red aggression. Meanwhile the UN Good Offices Com. disclosed March 6 it had sent another peace feeler to Red China through Sweden after its first one last month was ignored. [See p. 65E-J]

Fighting. On the 70-mile front from Seoul to Amidong this week: U.S. Marines captured Hoengsong March 3. South Koreans and Americans fought a shifting battle with the Reds in the Amidong sector, on the eastern flank of the front, March 2-8. The U.S. 25th Infantry Div. established a new bridgehead across the Han River 15 miles southeast of Seoul March 7, expanded it

KOREAN CASUALTIES. First report since October on South Korean Army casualties, issued by the U.S. 8th Army March 6: 16,000 killed, 87,000 wounded, 66,000 missing for a total of 169,000 since the war started—3 times those of the U.S. and other UN participants in the war combined. Published U.S. battle casualties to March 2 (announced March 7) totaled 52,448 with 8,853 dead, 33,781 wounded, 8,724 missing, 110 prisoners, 980 liberated prisoners. (The U.S. Army said "battle" casualties did not include losses from disease and frostbite.) With other UN countries reporting 2,805 casualties as of March 6, these figures ran the UN military total in the war to 224,293 as against UN estimates of nearly 700,000 Red army losses. South Korea also has reported 424,666 civilian casualties. [See pp. 65K, 50C-D]

next day to a depth of 5 miles in flat "tank" country. A U.S. 8th Army report March 8 said the Reds suffered 11,400 casualties March 7, heaviest one-day toll of Reds in the war. But stiff Communist resistance prevented major UN gains into the area just below the 38th Parallel where, MacArthur said March 6, the Reds were massing tanks and 120,000 men for a spring offensive. U.S. guns bombarded Seoul March 3 but the Reds replied with a strong barrage. [See p. 65C]

BIG 4 DEPUTIES CONFERENCE

Differ on Main Issues. A meeting of the Big 4 Deputy Forgn. Ministers, highest-level Big 4 talks since the last Forgn. Ministers Council meeting in May-June 1949, began an attempt in Paris this week to agree on the agenda of another Forgn. Ministers conference. The Deputies disagreed at the outset on what is the major East-West problem in Europe. Russia demanded priority for the German question, especially Western plans to arm West Germany, and called for Big 4 disarmament. The West put East European armament and the Austrian treaty dispute ahead of Germany on the list of threats to peace in Europe.

Meanwhile these Western moves outside the conference affected issues under discussion in Paris: the U.S. challenged Russia to take part in a UN world arms census; West Germany was given more freedom; the U.S. moved to bring the Ruhr into the Schuman coal-steel pool.

Delegations to the Paris talks, which opened March 5 in the Palais Rose (Pink Palace), were led by U.S. Amb.-at-large Philip C. Jessup, Soviet Dep. Forgn. Min. Andrei A. Gromyko, British Forgn. Affairs Under Secy. Ernest Davies and Alexandre Parodi, Secy.-Gen. of the French Forgn. Office. The 3 Western Deputies conferred March 4 in Paris to synchronize their preparations for meeting with Gromyko. Jessup said on leaving Washington March 2 he went into the talks with the attitude, "We are from Missouri," would not "be taken in" by Soviet attempts to evade "the things that are really causing all the tension." [See p. 67C; Vol. X, 391D, 330J, 228F; IX, 170G]

Rival Agenda Proposals. The Deputies' first session March 5 produced these contrasting proposals as to what a Forgn. Ministers meeting should discuss and in what order:

West—Davies submitted a proposed agenda consisting of (1) "examination of the causes of present international tensions in Europe [the West intended to emphasize that the rate of

arming by Russia and its satellites is the main cause] and the means to secure a real and lasting improvement in the relations between" the Big 4; (2) "completion of a treaty for establishment of an independent and democratic Austria"; (3) "problems relating to the reestablishment of German unity and the preparation of a treaty of peace."

Russia—Gromyko countered with this list: (1) "Fulfillment by the 4 powers of the Potsdam Agreement regarding the demilitarization of Germany and prohibition of the remilitarization of Germany"; (2) "acceleration of the conclusion of the peace treaty with Germany and in accordance with this the withdrawal of the occupation forces"; (3) "improvement of the situation in Europe and the immediate proceeding to the reduction of the armed forces of the" Big 4 powers.

In the first round of comment on the 2 proposed lists, the Western Deputies told Gromyko March 6 it would be impossible to insure peace in Europe if the Big 4 dealt only with the German question. Gromyko criticized the Western agenda as too vague, accused the West of rearming itself and West Germany while making false protestations of "peaceful intentions," ranged beyond the business of the Paris meeting and denounced U.S. activities in the Far East. Jessup rebuked Gromyko for having given the Soviet press the text of his (Gromyko's) remarks in the March 5 session. Jessup said this violated an agreement that such texts would not be issued so as not to turn the Deputies conference into a propaganda production.

Russia Raises Trieste Issue. Gromyko said March 7 he would consider Austria as an agenda item if the Trieste question is included. The Western Deputies objected to making discussion of one dispute contingent on another, denied Gromyko's charge that Trieste is being turned into a Western military base in violation of the Italian peace treaty. (Trieste was separated from Italy in 1947 and made a Free Territory under UN Security Council protection. The U.S. and Britain occupy the northern half of the territory, including Trieste City, Yugoslavia the southern half, pending an agreement on its permanent status.) [See Vol. X, p. 423L; VII, 295E]

UN Arms Census Dispute. In advance of the Deputies conference, the U.S. proposed March 3 that Russia reconsider its veto of a plan advanced 2 years ago for a UN census of all countries' troops and non-atomic weapons. Frank C. Nash, U.S. representative in UN disarmament talks, said the census would settle the controversy over Russia's charge last week that Western forces are twice as big as the Soviet Union's. Russia would agree to the census, Nash declared in Lake Success, N.Y., if it "really wanted the world to know the facts about the level of armaments." Soviet UN delegate Jacob A. Malik said March 6 in reply to Nash: The "Anglo-American bloc" was to blame for the lack of an arms census because it turned down a Soviet plan for all countries to report on their armaments, including atomic.

(In Oct. 1949 the Security Council rejected Russia's arms census proposal because it embraced atomic weapons and did not provide for UN inspection. Russia vetoed a French proposal for an arms census because atomic weapons were excluded and the census would have been verified by independent UN inspectors. The Gen. Assembly indorsed the principle of a verified world arms census in Dec. 1949 with the Soviet bloc opposed.) [See pp. 66J, 51D; Vol. IX, 394D, 337G]

Yugoslavia. The Yugoslav press reported March 5 an increase in anti-Yugoslav military activity in Bulgaria the past 2 months—a buildup of artillery and troop strength and entrenchments along the frontier. Marshal Tito told a Reuters interviewer March 4 the Yugoslav Army would have "no special difficulty" in stopping an attack by Hungary, Rumania and Bulgaria, but it would be "another thing" if Soviet Army "volunteers" were involved. France followed up similar statements by the U.S. (State Secy. Acheson Feb. 14) and Britain (Labor Min. Aneurin Bevan Feb. 15) in telling Yugoslavia Feb. 26 it would not ignore a Soviet satellite attack on Yugoslavia. [See pp. 66K, 53N]

GERMANY

Bonn Gets More Powers. The West German Govt. was given the right to set up a foreign Ministry and more freedom in domestic and foreign trade and legislation under an agreement reached with the U.S., Britain and France March 6. The conces-

sions were promised by the Western Big 3 Forgn. Ministers last September but were held up until the Bonn Govt. agreed to assume responsibility for prewar and postwar German national debts. The West German public was dissatisfied with the new privileges, called them too little and too late.

Concessions to West Germany and veto rights retained by the Allies: Bonn may establish a Forgn. Ministry and send out "Official Agents" (not "Ambassadors"), but not to countries disapproved by the Allies—such as Communist countries; the Germans will control domestic distribution of necessities; they will have a free hand in foreign trade provided they comply with such agreements as the Geneva tariff pact and Intl. Monetary Fund and do nothing to injure Western security (could be invoked to curb trade with East Europe); German legislation may be vetoed by the Allies after, but not before, it is passed.

Bonn Chancellor Konrad Adenauer acknowledged West Germany's responsibility for Germany's pre-World War II foreign debts, estimated unofficially at \$1 billion, and responsibility "in principle" for \$3.5 billion worth of postwar economic aid West Germany has received. He also promised the Bonn Govt. will cooperate with the Allies in apportioning materials and services vital to Western defense. He was reluctant to assume even theoretical responsibility for the huge foreign debt, but the Allies gave private assurances they do not expect to collect more than a fraction—none in the near future. [See Vol. X, p. 299A]

Schuman Plan Negotiations. In an effort to speed up German acceptance of the Schuman plan for a West European coal-steel pool, U.S. High Comm. John J. McCloy reached these tentative agreements with Adenauer March 2, subject to French approval: a German coal pool that supplies Ruhr industries will be broken up in 3 years instead of 18 months; a Ruhr steel company may not own coal mines supplying more than 75% of its fuel needs at present capacity operation. [See p. 67F]

Displaced persons in West Germany were given equal rights with German citizens in law, education, employment, social benefits and freedom of movement, under a law passed by the West German Parliament Feb. 28. [See Vol. X, p. 237B]

ATLANTIC DEFENSE

Compromise on U.S. Troops. The Senate Forgn. Relations and Armed Services Coms. compromised on the troops-to-Europe dispute March 8 by passing 2 identical resolutions containing these provisions: (1) Congress indorses the principle of sending U.S. troops to Europe, without ceiling or ratio limits, under present "peacetime" conditions as provided in Article 3 of the Atlantic pact; (2) Pres. Truman should consult both houses of Congress before more units are committed, Europe should furnish most of the ground forces under Gen. Dwight D. Eisenhower's Atlantic command, and the Joint Chiefs of Staff should certify to Congress that any proposed commitment of more U.S. troops to Europe is necessary. One of the resolutions will be taken up in the Senate alone. The other is a "concurrent" resolution to be submitted also to the House. Neither would have the force of law. Vote in the combined committees was 14-10 on restrictive features of the resolutions. [See p. 66C-H]

Eisenhower Aides. 7 aides to Gen. Eisenhower and his Chief of Staff, U.S. Lt. Gen. Alfred M. Gruenther, were announced by SHAPE in Paris March 7: French Lt. Gen. Marcel-Maurice Carpentier, 56, Dep. Chief of Staff for Administration; British Air Vice Marshal E. C. Huddleston, 43, Dep. Chief of Staff for Plans; Italian Rear Adm. Ferrante Capponi, 52, Asst. Chief of Staff for Personnel & Administration; U.S. Maj. Gen. Edmond H. Leavey, 57, Asst. Chief of Staff for Logistics; French AF Maj. Gen. Pierre Louis Bodet, 49, Asst. Chief of Staff for Plans, Policy & Operations; British Maj. Gen. Sir Terence Sydney Airey, 51, Asst. Chief of Staff for Intelligence; British Maj. Gen. F. W. Festing, 49, Asst. Chief of Staff for Organization & Training. [See p. 66L-M]

Russia. A 1951 Soviet budget presented to the Supreme Soviet (Parliament) in Moscow March 7 called for expenditure of 96,376,000,000 rubles (\$24,094,000,000 at Soviet exchange valuation) on the armed forces—most of any year since World War II. This accounted for 21.2% of the 451,403,000,000-ruble budget as against 18.5% last year. Finance Min. Arseny G. Zverev blamed the increase on Western rearmament. [See pp. 70G, 45N; Vol. X, 185F]

Lt. Gen. Lauris Norstad, USAF commander in Europe, said in Berlin March 2 the Soviets were showing increased interest in long-range bombing but U.S. air strength in Europe would soon be "substantially" increased and it would be easy to make air raids on Russia because of the huge territory the Soviet AF must defend [see p. 30B]. Dr. Vannevar Bush said in a broadcast March 4 U.S. atomic bombing could "destroy Russia . . . without question as matters stand today," hence "no war will occur" in the near future. But he warned that the U.S. edge on strategic bombing might be temporary and ground forces must be built up in Western Europe. [See pp. 59D-E, 43L-M; Vol. X, 185J]

West European Reds. The U.S. State Dept. said March 4 that communism is losing strength in West Europe. It gave these figures on decline of party strength the past 5 years:

MEMBERSHIP				MEMBERSHIP			
Country	1946	1950	Loss	Country	1946	1950	Loss
Austria	150,000	100,000	34%	Luxembourg	3,000	500	84%
Belgium	100,000	35,000	65%	Netherlands	50,000	33,000	34%
Britain	60,000	40,000	33%	Norway	40,000	14,000	65%
Denmark	60,000	22,500	63%	Sweden	60,000	33,000	45%
France	850,000	600,000	30%	W. Germany	300,000	200,000	33%
Italy (1948)	2,300,000	1,600,000	31%	[See Vol. IX, p. 146A]			

The Italian Communist and Left Socialist parties have lost 10,000 members during the current "Titoist" revolt, Ignazio Silone, author and Socialist Unity Party leader, said in Rome March 5. Italian CP leader Palmiro Togliatti returned to Rome from Moscow Feb. 26. [See pp. 53L, 46J]

Socialist International, disbanded during World War II, was revived March 4 at a London meeting of the Intl. Socialist Conference formed in 1948. The anti-Soviet Socialist parties claim 10 million members in 33 countries. [See Vol. X, p. 178E-F]

UNITED NATIONS

U.S. Urges UN Army. The U.S. proposed March 5 that Sept. 1 be fixed as the deadline for "a large number of nations" to have troops ready to fight for the UN in event it needs to use force to resist aggression under the Acheson peace-enforcement plan. U.S. delegate Harding F. Bancroft, 40, made the proposal at the first meeting (in Lake Success, N.Y.) of the full Collective Measures Com. [See pp. 74D, 73D-E, K, 65K; Vol. X, 354N-P]

ECOSOC Meeting. Poland's Dr. Julius Katz-Suchy, addressing the UN Economic & Social Council in Santiago, Chile March 5, urged Latin American countries to develop more trade with Soviet bloc countries and not let the U.S. turn them into "arsenals for destructive war." (Chilean Pres. Gabriel Gonzales Videla, in a speech to a farm and industrial exhibit attended by ECOSOC delegates, charged March 4 the Intl. Bank is more concerned with "profits to American bankers" than helping under-developed countries fight "communism and inflation." Chile had been unsuccessful in seeking a new Intl. Bank loan. It received tentative assurance of a \$22 million Intl. Bank loan March 7, got a \$10 million loan same day from the U.S. Export-Import bank for improvement of the Chilean steel industry.) [See Vol. VIII, p. 99B] The Council asked Russia, Rumania and Spain Feb. 28 to report by next summer whether they will let the UN investigate alleged infringement of trade union rights in those countries. [See p. 67P; Vol. X, 300C]

Malarial contamination has been virtually eliminated in areas of India, Thailand and Afghanistan totaling 4,000 sq. mi., the World Health Org. reported March 4. WHO provided DDT and teams of experts to work with native health authorities. [See p. 68A-B] . . . Braille alphabet to serve 5 million blind persons in the Middle East, India, Southeast Asia and Africa, where 20 local Braille scripts have been in use, was agreed upon at a UNESCO-sponsored conference in Bierut March 4. [See Vol. X, p. 408H] . . . Palestine Conciliation Comm. set up a Jerusalem office under Holgar Andersen of Denmark March 1 to handle questions affecting the rights and property of refugees from Palestine. . . . Khaled Hussein, an official of the UN Relief & Works Agency for Palestine Arab refugees, was found shot to death March 2 in Nablus, Jordan-occupied Palestine. There have been demonstrations against the UN agency there since it cut 30,000 persons off ration rolls and discharged 300 employees—result of an investigation of relief operations in Nablus. [See p. 59M] . . . Economic Comm. for Asia & the Far East, opening a session in Lahore, Pakistan, voted 8-5 March 1 against a Soviet move to oust Nationalist China and 7-5 against a Soviet motion March 2 that South Korean and Viet Nam delegates be barred. [See Vol. X, p. 163F] . . . Jewish culture has been eradicated in

Russia and Zionist Jews are suffering oppressions in Rumania, Poland, Hungary and Czechoslovakia, the U.S. Jewish Labor Com. said Feb. 16. It asked the UN to investigate. [See p. 53K]



NATIONAL AFFAIRS

THE PRESIDENT

Assassin Guilty. Oscar Collazo, 37, survivor of 2 Puerto Rican Nationalists who tried to assassinate Pres. Truman Nov. 1, was convicted on 2 counts of first-degree murder by a federal jury in Washington March 7. Each count carries a mandatory death sentence, but Fed. Dist. Judge T. Alan Goldsborough postponed sentencing until a petition for a new trial is heard.

The 2 murder counts charged that Collazo and Griselio Torresola, who was killed in the assassination attempt: (1) tried to break into Blair House with the intention of killing Pres. Truman and (2) murdered Leslie Coffelt, a White House guard, in the gun fight that resulted. The prosecution conceded that Torresola shot Coffelt but said Collazo was equally guilty as a co-conspirator. Collazo's defense was that he had no intention of killing anybody and wanted only to stage a "demonstration" to dramatize Puerto Rican independence claims. [See p. 52L]

In San Juan, P.R. March 5, Vidal Santiago was sentenced to 13 years in prison for attempted murder and 6 months for illegal possession of arms on charges arising from the Nationalist revolt in October. Santiago was the barber of Nationalist leader Pedro Albizu Campos. Sentencing of Albizu was again postponed because of a change in his defense plea. [See p. 61N]

Asks 'Voice' Funds. Pres. Truman urged Congress March 5 to give the Voice of America \$97½ million immediately instead of doling it out during fiscal 1952-53 as originally planned. The money was needed to complete the ring of radio transmitters sending U.S. propaganda into the Iron Curtain countries. "The gravity of the international situation now dictates" completion of the network at an early date, he said. (The Voice had a \$111,767,850 appropriation for the current year, about \$41,288,000 of it for new radio facilities.) [See p. 19G-H]

The State Dept. March 7 named a Gen. Business Com. of the U.S. Advisory Comm. on Information to help advise it on how to carry out its world information program. Philip D. Reed, Gen. Electric board chairman, heads the committee of 11 business executives. Similar panels will be named in other fields. [See p. 59G; Vol. VIII, 261B]

(Russia is helping Red China jam Voice of America broadcasts to the Far East, the State Dept. said March 6. Reports from Vienna March 3 said the Czech police had begun to make raids on persons listening to Voice broadcasts and Hungary had started 2 projects to eliminate Voice listening there; construction of a powerful new jamming station in Diosd, elimination of home receiving sets in favor of loud speakers hooked up to centrally controlled receivers.) [See Vol. X, p. 415L]

Diplomats Shifted. A controversial 3-way shift of diplomats was announced by the White House March 2. Pres. Truman nominated Amb.-to-Guatemala Richard C. Patterson Jr. to succeed John Carter Vincent as Minister to Switzerland; ex-Min.-to-Rumania Rudolf E. Schoenfeld was named to the Guatemala post, and Vincent, who had been attacked by Sen. Joseph R. McCarthy (R., Wis.) as advocating a policy of softness to communism in the Far East, was appointed chief of mission in Tangier, Morocco.

Bert Andrews reported in the N.Y. Herald Tribune March 3 that Mr. Truman's decision to "demote" Vincent to the Tangier post indicated "a split of deep significance" between the President and State Secy. Dean Acheson. But State Under-Secy. James E. Webb and White House Press Secy. Joseph Short both denied this. [See Vol. X, p. 230H]

The U.S. had decided in January not to replace Schoenfeld with another Minister to Bucharest because of Rumanian restrictions on U.S. diplomats there [see Vol. X, p. 194J]. Patterson returned from Guatemala in March 1950, and the Guatemalan Govt. informally demanded his recall on charges of interfering with its internal affairs. [See Vol. X, p. 118G-H]

Key West Vacation. Pres. Truman flew to Key West, Fla. March 2 for a 23-day working vacation at the naval station there. It was his 8th vacation there since he became President. Before

leaving Washington, he visited the Senate March 1 to give Vice Pres. Alben W. Barkley a gavel made of wood salvaged during the repairing of the White House. Barkley completed 38 years of continuous service in Congress March 4, including 24 years in the Senate, a record. [See Vol. X, p. 115L]

CONGRESS

RFC Inquiry. After a week and a half of Senate Banking subcommittee hearings on alleged political pressure and favoritism in granting RFC loans, Sen. J. William Fulbright (D., Ark.), chairman of the subcommittee, said March 3 that "I have never heard so much lying in my life." Testimony throughout the hearings repeatedly implicated E. Merl Young, 38, husband of a White House stenographer, and Joseph H. Rosenbaum, a Washington lawyer, as alleged peddlers of influence with the RFC.

According to some of the more startling testimony: (1) Sen. James E. Murray (D., Mont.) helped a Miami Beach hotel get a \$1 million RFC loan; later his son collected a \$21,000 fee for this and similar deals; (2) RFC officials deliberately wrecked the Lustron prefabricated housing company when they failed to win control of it for their friends, and (3) Rosenbaum paid for a \$9,540 mink coat for Young's wife.

Developments of the Washington hearings from Feb. 21:

Feb. 21. Sen. Charles W. Tobey (R., N.H.) charged that either Young or Ross Bohannon, a Dallas attorney, had committed perjury. Bohannon testified that Young had demanded an \$85,000 fee to get an \$18 million RFC loan for the Texmass Petroleum Co. (A \$10,100,000 loan was granted.) Young, a former RFC official, denied this and said he had never taken a fee for aiding in getting an RFC loan. Both men were recalled to the stand and again backed their original testimony under oath.

Feb. 22. William E. Willett, an RFC director, admitted that he took "very unusual" steps to get a \$225,000 RFC loan for the arms firm of C. Edward Rowe, an "old friend," but he denied that there was anything wrong with what he did. He said he had never yielded to improper influence in granting RFC loans. (Rowe became an RFC director himself a few months after getting the loan.)

Feb. 23. Subcommittee members charged that Pres. Truman was trying to "intimidate" them by getting copies of all letters written by members of Congress to the RFC in the past 10 years. The White House denied this and said the letters were being used in preparing plans for reorganizing the RFC. It said Mr. Truman knew of no use of illegal influence by members of the Govt. and did not intend to make the letters public.

Feb. 26. Willett told the subcommittee that the RFC board was "bad" and that he was "as bad as the rest." He said he had wanted to discharge the 3 heads of the RFC's Dallas office because "any man who approved the Texmass loan should be fired," but that the Dallas employees had political influence and the board could not agree on dismissing them. (They have since resigned.) Sen. Tobey said the entire RFC should be abolished.

Feb. 27. Young and Rosenbaum testified about the \$9,540 mink coat. Young bought it for his wife, Mrs. Lauretta Young, a White House stenographer, at a \$1,000 discount at Gunther Jaekel, Inc. of New York, but Rosenbaum paid for it. They said it was a private loan (so far not repaid) and unconnected with any RFC deals. Gunther Jaekel had been granted but never actually received a \$175,000 RFC loan, and Rosenbaum got a fee of nearly \$5,000 for his help in negotiating it. Both denied that Rosenbaum ever gave Young gifts or "loans" in return for influence on the RFC, but the subcommittee said Young got favors and \$125,000 in loans during 1950 from Rosenbaum and others who dealt with the RFC.

March 1. Carl G. Strandlund, president of Lustron Corp., charged that RFC Dir. Dunham headed a "conspiracy" which wrecked Lustron because Strandlund refused to turn over control to "friends" of the RFC and White House. (Lustron defaulted on \$36 million in RFC loans and went bankrupt.) Strandlund said RFC Dir. Willett took part in the conspiracy, and he named Young and Rex C. Jacobs, Detroit auto parts manufacturer, as among those who sought to control Lustron. Young was an \$18,000-a-year vice president of Lustron and an official of Jacobs' auto parts company at the time.

March 2. Roy Fruehauf, Detroit trailer manufacturer who had loaned money to Lustron, testified that Rosenbaum had boasted to him that he had RFC directors Dunham and Willett "in his hip pocket." Rosenbaum, who denied this under oath Feb. 23, denied it again. He said he got only \$10,000 of the \$100,000 fee he sought for trying to get the RFC to approve a reorganization plan for Lustron because the plan was rejected. Fruehauf also said that Dunham blocked plans to save Lustron after an earlier \$10,000 check made out to Rosenbaum by a 3d party interested in Lustron was withdrawn. But Rosenbaum said he never even met Dunham.

March 3. Sen. James P. Kem (R., Mo.) urged complete abolition of the RFC "since the President is apparently unwilling to clean [it] up." He said the RFC "has become more and more corrupt" and that a proposed reorganization would not help. Sen. Fulbright declared that the RFC revelations indicated the need for a Congressional inquiry into "the general moral level" of the executive branch.

March 5. The subcommittee released testimony indicating that Sen. James E. Murray (D., Mont.) put pressure on the RFC to grant a \$1 million loan to the Sorrento Hotel in Miami Beach. Murray's son, James A. Murray, a lawyer, collected a \$21,000 fee for this loan and others. The subcommittee also released testimony about 2 other "unjustified" loans: a \$1½ million loan to the Saxony Hotel, also in Miami Beach, and a \$1 million loan to the Maxwell Co., which furnished the 2 hotels. George D. Sax, owner of the Saxony and alleged "king of the punchboard industry," had told the subcommittee in earlier closed hearings that he gave \$30-a-day rooms for free vacations to RFC Examiner Hilton W. Robertson, who was involved in the Saxony loan, and Donald W. Dawson, Pres. Truman's personnel aide whose name cropped up in the hearings as an alleged "influence" on the RFC.

March 6. Sen. Murray issued a statement saying there was nothing improper about his recommendation of the Sorrento loan. He said that all

phone calls, interviews and letters between other members of Congress and the RFC should also be made public. RFC Dir. Dunham released a statement saying that he felt he had been "used" by such friends as Dawson, Young, Jacobs, Willett and James O. Windham, a former RFC official now employed by Jacobs. None of them "succeeded in exerting any improper influence on my decisions," he said, but they "used their friendship with me . . . to convince others that they could 'influence' my decision."

March 7. Dunham, one of the RFC's 2 Republican directors, told the subcommittee he had assured Dawson that he would "work in harmony with the Democratic Party" if appointed to the RFC. But he specifically denied that Dawson ever tried to influence his RFC decisions. He said he will resign as soon as he can do so without being criticized for "quitting under fire." He testified that when he proposed discharging Young as \$18,000-a-year vice president of Lustron, Lustron Pres. Strandlund warned that this might have repercussions at the White House. Dunham then telephoned Dawson about the matter, he said, and Dawson discussed it with Pres. Truman who told him to do whatever was best for Lustron without regard for Young. A resolution calling for a Congressional inquiry into the "standards of morality or ethics, if any," for White House aides was introduced in the House by Rep. Kenneth B. Keating (R., N.Y.).

March 8. Dunham testified that 2 weeks ago RFC Chrmn. Rowe urged him to be the "goat" in the inquiry by resigning under circumstances that would make him appear to take all the responsibility. He read an entry from his diary stating that Presidential Asst. John R. Steelman phoned him June 30, 1950 and said, "The President had requested him to call each director of the RFC regarding" a \$12 million RFC loan to Motor Parks, Inc. for a garage to be built under Boston Common. (The loan was approved but never disbursed because Motor Parks failed to meet collateral requirements.) Dunham said that Democratic Natl. Com. leaders asked him to give "special consideration" to the Pacific Rubber Co.'s request for an RFC synthetic rubber plant. Pacific Rubber was "wholly or partly owned" by ex-Democratic Natl. Com. Treasurer Edwin W. Pauley, who was introduced to Dunham by RFC Dir. Willett. (Pauley said in Midland, Tex. that Pacific Rubber did not "get the consideration to which we were entitled" but was "compelled" to share operation of the plant.) The subcommittee asked the Justice Dept. to review all testimony in the case for possible evidence of perjury or tax evasion. [See pp. 60D-G, 44H-L]

Armed Forces Limited to 4 Million. An amendment limiting the armed forces to 4 million men and women was added to the pending military manpower bill by a 49-41 Senate vote March 7. The ceiling was set despite a warning by Defense Secy. George C. Marshall that it was a "gamble with national security." The vote: 37 R., 12 D. for; 34 D., 7 R. against. An amendment by Sen. Wayne Morse (R., Ore.) to raise the proposed minimum draft age from 18 to 18½ was defeated 55-31 March 5, but the Senate agreed by voice vote to cut the draft term from the proposed 26 months to 24.

Marshall told the House Armed Services Com. March 1 that he was shocked at how Congressional sentiment had shifted to opposition to mobilization: 2 months ago he was attacked for not ordering full mobilization; now Congressmen ask "not how much more do we need, but why do we have to have so much?" [See p. 51N]

A 60,000-man draft call for May was issued by the Army March 6, bringing the post-Korea total up to 590,000. The Army March 7 ordered 12,650 lieutenants and captains in the organized reserve and Natl. Guard to duty by June 29, raising the total of company grade officers called up to 40,000. On March 5 it ordered 300 medical and 100 dental reservists into uniform in April, boosting the total to 1,290 doctors and 1,050 dentists. 2 of the federalized Guard divisions—the 40th of California and the 45th of Oklahoma—were alerted Feb. 24 for shipment to Japan. Reactivation of the 1st Armored Div. at Ft. Hood, Tex. was announced Feb. 28. This brought Army strength up to 12 regular divisions, 6 Guard divisions and 8 training divisions plus regimental combat teams and other units. [See p. 61M]

Tin 'Gouging' Charged. The Gen. Services Admin. temporarily stopped buying tin for defense stockpiles March 6 because of charges by the Senate Preparedness Subcom. March 4 that the U.S.' foreign allies were "gouging" the American taxpayer. The subcommittee urged the Govt. to stop buying until tin prices, which rose 150% (from 75¢ a lb. to more than \$2) since the Korean fighting started, become "reasonable." It charged that the gouging was being done by British, Dutch, Belgian and Bolivian corporations with interlocking connections. Producers held down tin output for years and cut 1950 production to less than 70% of the 1941 figure in order to force prices up, the committee said. It proposed a conference of tin producing and consuming nations to stabilize output and prices and allocate supply. Pending this, it urged the closing of the tin markets in Singapore, London and New York.

Bolivian producers denied the charges March 5. They said their government ordered them to increase output last Oct. 30 and that they have obeyed. Some Bolivian tin output goes to the U.S. under contracts which do not let the producer set prices but impose the prevailing N.Y. market price. [See p. 36K, M]

The price of tin dropped sharply in the world's 3 leading markets—Singapore, London and New York—March 7. In Singapore it dropped \$25.50 from \$650 for 133.5 lbs.

The N.Y. Times reported March 5 that shipment of Spanish wolfram to the U.S. has stopped because of high prices growing out of the Spanish Govt.'s desire "to cash in" on U.S. rearmament. Wolfram is an important source of tungsten for hardening steel. Its price rose from \$2,300 a short ton late last year to \$4,740 delivered in the U.S. But the Spanish Govt. has now set a minimum price of \$4,970 before shipment from Spain. It also barred payment in cash, demanding compensating shipments of other strategic metals. Spain has also raised its price for mercury (in which it dominates world output) from \$55 a "standard flask" (34½ kg.) to \$200. [See pp. 53M, 38G, 36M]

Trucks from Germany Sold. Rep. Herbert C. Bonner (D., N.C.), chairman of a House Executive Expenditures subcommittee, charged March 6 that "millions of dollars" worth of U.S. trucks and engines given to Germany for rehabilitation were being sent back to the U.S. and sold at a profit. Despite Army reports that such reshipments had been halted, goods turned over to "Steg," a German Govt. corporation, were still arriving in the U.S. for sale, he charged. Clayton C. Harrah, former official of the Bunker Hill School of Aeronautics, an Indiana institution that never went into operation, told the Bonner group March 1 that he bought aircraft engines from the War Assets Admin. for \$10 each for "educational purposes" and resold them for an average of more than \$1,300 each. [See p. 32E-G]

Senate Crime Probe. The Senate Crime Investigating Com. voted March 7 to ask the Senate to cite James J. Carroll, St. Louis betting commissioner, for contempt for refusing to testify before television cameras. He defied the committee at a hearing in St. Louis last month. It also cited Stanley Cohen, San Francisco racing wire figure, for refusing to answer questions during its San Francisco hearings March 2-3. As a result of these hearings it urged the Internal Revenue Bureau to investigate the accounts of Arthur H. Samish, wealthy lobbyist, and of the California Brewers Institute, which pays him \$30,000 a year.

The committee disclosed testimony March 7 that pay-offs by gamblers and racketeers to police in Philadelphia ranged from \$1,000 a week for captains to \$60,000 or \$70,000 a year for police inspectors. As a sequel to previous disclosures of Philadelphia corruption, Asst. Police Supt. George F. Richardson was removed March 7 as chief of city detectives.

Meantime Gov. Fuller Warren of Florida denied March 1 that he received contributions from known gamblers during the 1948 campaign. William H. Johnston, operator of 2 Florida kennel clubs and a Chicago horse race track, said March 3 he had "never been connected with the Capone mob." [See p. 69E]

COMMUNISM

Atom Spy Trial. 3 New Yorkers went on trial in New York March 6 on charges of conspiring to pass atom bomb secrets to Russia during the war. The local press called it "the nation's first atom bomb spy trial." Defendants: Julius Rosenberg, 34, electrical engineer, his wife, Ethel, 34, and Morton Sobell, 34, electronics engineer. A jury of 11 men and one woman was selected March 7. [See p. 37D]

Subversive Groups. The House Un-American Activities Com. March 7 released a list of 624 organizations and 204 publications cited as subversive by the Attorney General, the committee itself, state legislative committees and a N.Y.C. Council committee. The list ranges from the Abolish Peonage Com. to *Zajednicar* (Croatian magazine) and includes the American Council of the Institute of Pacific Relations, of which Defense Secy. George C. Marshall is a trustee. Records seized from the Institute by a Senate Judiciary subcommittee showed that the Russian Council of the Institute contributed \$12,000 while a member in 1935-39. [See p. 52D, E]

The House committee Feb. 28 began an investigation of Communist Party finances and Red influence in farm movements.

Hoover Warning. FBI director J. Edgar Hoover said March 3 that the Communists in the U.S. have gone underground to a greater extent than ever but that "we still know what they are up to." After Hoover testified before a Senate Appropriations subcommittee for more money, Sen. Pat McCarran (D., Nev.) said America is in "greater internal security danger than it has ever been." [See pp. 37G, 31A, B, 8C]

Lawyers. The House of Delegates of the American Bar Assn., meeting in Chicago Feb. 26, 27, approved the ousting of Communist members and called on state and local bars to disbar them. It rejected a move to rescind a 1950 resolution backing

loyalty oaths for attorneys. Howard L. Barkdull of Cleveland was chosen ABA president. [See pp. 300K, 43G, 20A]

Dr. Richard N. Lewis, 34, U. of Delaware chemistry professor formerly with the Gen. Electric Co., pleaded innocent in Albany, N.Y. March 7 to a charge of concealing Communist Party membership when he filled out an Atomic Energy Comm. questionnaire in 1948. He was indicted Feb. 21. . . . Communist control bill providing severe penalties for sabotage and failure to register was signed into law in Texas Feb. 27 by Gov. Allan Shivers. It bars Reds from holding any public office in the state. [See Vol. X, pp. 358B, 333G] . . . Artist Rockwell Kent told him he was a Communist and attended a Red meeting with him in 1945, Prof. Louis F. Budenz testified in New York Feb. 27 at a hearing against the Intl. Workers Order of which Kent is president. Kent denied the charge. [See p. 8E; Vol. X, 417H] . . . Prof. Mogens Westergaard, Danish geneticist who denounced the Communists after Russia made Ivan Michurin's biological theories the official party line, said in Copenhagen March 5 that the U.S. has refused to let him attend a scientific conference there because he used to be a Communist. [See p. 52E]

LABOR

Mobilization Dispute. Defense Mobilization Director Charles E. Wilson conferred with Pres. Truman in Key West, Fla. March 6 and then indicated to reporters that Mr. Truman backed him in the dispute which caused representatives of organized labor to walk out of the Govt.'s mobilization set-up. He called "the real issue" his decision that labor should not be allowed to "control how manpower is to be allocated—who will serve in the armed forces and who will be engaged in numerous defense duties." He denied trying to take away any of the Labor Dept.'s powers and said that the purpose of the Manpower Advisory Council was to put control of manpower under "a neutral body" responsible "to no single segment of the economy."

The United Labor Policy Com. in Washington March 6 called Wilson's statement "shockingly untrue." Labor never "asked for a voice or expressed a desire to control" armed forces manpower but restricted itself to civilian issues, the committee declared. It opposed conscription of men and women "to work in private industry for employers operating for private profit" and said that an unnamed member of Wilson's staff in charge of manpower policy advocated such labor conscription during World War II. It denounced Wilson's alleged dismissal of the "breakdown of price control," inequitable taxation, "inadequate rent controls, the unfair wage policy" and the lack of "effective leadership in the fight against inflation." [See p. 68K-M]

Walter P. Reuther, president of the CIO United Auto Workers, said in Detroit March 3 that if living costs are reduced his union would accept a pay rollback. [See Vol. X, p. 411B]

Living Costs, Pay Up. 1,000,000 workers in the auto and electrical industries and other industries covered by "escalator" pay contracts were given pay raises as a result of a BLS announcement March 2 that its cost-of-living index rose 1½% between Dec. 15 and Jan. 15 to a new record of 181.6%* of the 1935-39 average. (Retail food prices rose about 2% between Jan. 15 and Feb. 15, but the BLS' wholesale price index, declining for the first time in 19 weeks, dropped to 182.9% of the 1926 average during the week ended Feb. 27.) Companies which gave employees 5¢-an-hour escalator raises included Gen. Motors, Ford, Chrysler, Packard, Intl. Harvester, Hudson Motor, Nash-Kelvinator and Briggs. [See pp. 68N, 70N]

Govt. Jobs Increase. Sen. Harry F. Byrd (D., Va.), chairman of the Joint Congressional Expenditures Com., reported March 2 that during January the armed forces hired 3 civilians for every 4 men drafted. The services had 1,046,829 civilians on their payrolls Feb. 1; Govt. employment rose by 60,594 in January to a total of 2,245,275. [See Vol. X, p. 217M]

*Old index; figure for the new index was 181.5%. [See Vol. X, p. 418J]



FOREIGN AFFAIRS

Iranian Premier Assassinated. Gen. Ali Razmara, 50, Iranian Premier since June 26, was shot to death by a religious fanatic while attending a funeral in a Teheran mosque March 7. The

assassin, Khalil Tahamsebi, 26, a carpenter, who was captured, belonged to the Fadayan Isiam (Crusades of Isiam) sect, which wants to cancel foreign oil agreements and nationalize Iran's oil industry. Omicras said they did not believe Communists were implicated. (The Judeh or Communist Party has been outlawed since an attempt to assassinate the Shah of Iran 2 years ago.) Kazmara had angered Iranian conservatives by trying to carry out economic reforms favored by the Shah and recommended by the U.S. He was praised by Pres. Truman March 7 as "a sincere friend" of the U.S. although his Govt. recently made friendly gestures toward Russia. The Shah appointed Khali Fahimi, 70, ex-Gov. Gen. of Azerbaijan Province (Soviet border) as Acting Premier March 7. Fahimi ordered the Army to guard against disorders. [See pp. 53D, 46G; Vol. X, 364F]

Indo-China. A new nonpartisan Viet Nam Cabinet took office March 3 in Saigon. The Dai Viet (northern Indo-China Rightists) turned down offers of 2 memberships. It wanted more Cabinet representation and governorship of Tongking Province, the Indo-China area adjoining China. Catholic and Caodist religious groups, which regard Premier Tran Van Huu as too pro-French and want a Govt. charter defining the limits of Bao Dai's rights as Chief of State, also refused to participate. The Cabinet selected after 5 weeks of negotiations:

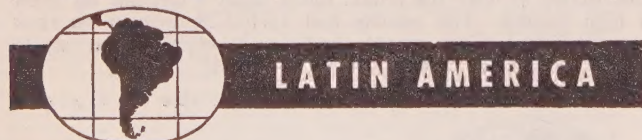
Premier (reappointed), Forgn. Min., Interior, Defense—Tran Van Huu	Finance—Nguyen Trung Vinh
Vice Premier, Justice—Nguyen Khac Va	Economy—Tran Van Kha
Security—Nguyen Van Tam	Reconstruct'n—Nguyen Duy Thanh
	Educat'n—Vuong Quang Nhuong
	Pub. Works—In Quang Huy

Bao Dai asked the Premier and Cabinet Feb. 24 to study setting up advisory national and regional assemblies. Some assembly members would be elected, others appointed by Bao Dai. There was much popular pressure for stronger assemblies than those he proposed. [See p. 15B-C; Vol. X, 415M-N, 340B]

Israel. Israel and the U.S. announced an agreement Feb. 26 on Point 4 technical aid for the Jewish state. [See p. 53K] . . . The Israeli Knesset (Parliament) approved legislation Feb. 27 for floating a \$500 million bond issue in the U.S. [See p. 9N] . . . Political leaders decided Feb. 25 that Premier David Ben-Gurion's 4-party coalition Cabinet will continue in office with caretaker status until new Parliamentary elections are held. [See p. 53J-K] . . . Israel's population is now 1.4 million (1,230,000 Jews, 120,000 Moslems, 35,000 Christians, 15,000 Druses), the Govt. reported Feb. 23. [See Vol. X, p. 22H-J]

Tibet. The Tibetan dispute with Red China has been settled on a promise by the Chinese Communist Govt. that it will respect Tibet's autonomy in domestic affairs while Chinese troops patrol the state's borders, Tibetans in India reported March 8. They said the Chinese made the promise in a letter to the Dalai Lama and the Tibetan "war" has ended without a major battle. The Tibetan population was said to have been indifferent to the Chinese invasion. [See p. 70H]

Yugoslavia. Forgn. Min. Edvard Kardelj took an indefinite leave of absence because of illness March 5. Marshal Tito will act temporarily as Forgn. Minister. [See pp. 74F, 53N] . . . A new penal code designed to stop high-handed practices by the UBDA secret police and administrative officials was passed by the Natl. Assembly Feb. 27. It provides prison terms for officials who terrorize Yugoslav citizens. Forced labor, detention of a citizen more than a month without trial and trials before "administrative organs" instead of courts were abolished. . . . More pro-and-con debate became permissible Feb. 26 in Parliament, heretofore a typical Communist legislature where Govt. policy was described and indorsed. . . . Elimination of Govt. controls on many kinds of agricultural products was disclosed March 1. De-controlled products will be traded on the free market in order to stimulate production and gain more peasant cooperation. [See p. 53N]



Argentina. Criminal proceedings against Dr. Alberto Gainza Paz, publisher of *La Prensa*, were ordered by Fed. Judge Miguel Vignola in Buenos Aires March 5, and the police announced they had shut down *La Prensa's* plant as urged by the pro-Govt. Gen. Confed. of Labor. Paz was not arrested but faced charges of violating a pre-Perón 1945 national security law. The Govt. announced jail sentences and "pardons" for Time correspondent Frank Shea, an American, and *Life* photographer Leonard Mc-

Combe, a Briton, March 1 and *La Prensa* photographer Teofilo Gil, a Spaniard, March 2 after foreign embassies protested their arrest in connection with the Feb. 26 disorders at the *La Prensa* plant. U.S. Asst. State Secy. Edward G. Miller Jr. told Pres. Juan D. Perón during a visit to Buenos Aires March 4 that Perón's policies aroused so much public condemnation in the U.S. it was increasingly difficult for the U.S. Govt. to cooperate with Argentina. [See p. 70B; Vol. X, 407K, 325J] . . . Señora Eva Perón led a delegation that asked Perón Feb. 23 (5th anniversary of his election to a 6-year term) to run for reelection. The Peronista Party in Entre Rios Province asked Señora Perón March 6 to run for Vice President with her husband in 1952. [See Vol. X, p. 325H; IX, 246J] . . . Russia's first Amb. to Argentina in 3 years, Grigori Feodorovich Resanov, arrived in Buenos Aires Feb. 18. [See Vol. X, p. 325J]

Uruguay. Andres Martinez Trueba was inaugurated as President of Uruguay to succeed Luis Batlle Berres March 1. New Vice President: Aifeo Brum. New Cabinet:

Forgn. Relations—Alberto Dominguez	Pub. Works—Manuel Rodríguez
Campora	Correa
Interior—Juan Francisco Guichón	Agri.—Livestock—Luis Alberto Brausse
Defense—Celilar Ortiz	Educ.—Soc. Welfare—Eduardo Blanco
Finance—Hector Alvarez Cina	Acevedo
Indstry.—Labor—José G. Lissidini	Pub. Health—Carlos Viana Aranguren
[See Vol. X, p. 386P]	

Brazilian Army restored order March 1 in São Luís where foes of Eugenio de Barros noted against his inauguration as Governor of Maranhão State. [See p. 41A] . . . Chilean Army took control of Antofagasta Province March 2 to prevent disorders arising from a strike or white-collar workers. The Govt. charged that Communists were exploiting the strike. [See Vol. X, p. 386N] . . . Cuba and Britain agreed March 3 to waive visa requirements for citizens of each country. [See p. 47C] . . . Dominican Republic signed an agreement to receive U.S. Point 4 aid Feb. 23. [See p. 47D] . . . Ecuador census showed March 2 the country's population was 3,076,933. [See p. 21N-P] . . . Guatemalan Congress elected Col. Carlos Enrique Diaz, 37, March 6 to succeed Maj. Carlos A. Paz Tejada as Army commander for a 6-year term. [See p. 47D-E; IX, 246K] . . . Mexico froze prices on 247 essential articles March 5. [See p. 21P] . . . Panamanian Cabinet appointments by Pres. Arnulfo Arias Feb. 22: Rodolfo Herbruger as Finance Min., José Clemente de Obaldia as Govt. Min., Ceiso Carboneil as Public Works Min. Ex-Govt. Min. Alfredo Alemán will replace Herbruger as Amb. to U.S. [See p. 21L-M; Vol. X, 246D] . . . Paraguay devalued its currency unit, the guarani, March 5 to a rate of 6 (instead of 3.09) to \$1 U.S. [See pp. 10P-11A] . . . Peru announced arrest Feb. 28-March 1 of 4 leaders of the outlawed Peruvian People's Party (Apra). [See Vol. X, p. 384H] . . . El Salvador's first census since 1930 showed a population of 1,858,000 March 2. [See Vol. X, p. 325K] . . . Venezuela announced plans March 1 for \$100 million worth of road improvements this year. Arrest of Luis Tovar, ex-president of the outlawed Oil Workers Fed., and several other leaders of the illegal Acción Democrática Party for operating clandestine radio transmitters, was reported March 2. [See p. 11A] . . . Windward Islands (British West Indies) police killed one of a group of striking estate workers who tried to loot a sugar plantation on the island of Grenada March 6. British Marines and Trinidad police were sent to the Windwards to reinforce local police Feb. 24 after disorders in St. George, Windwards capital, over anti-strike laws. [See p. 10M]



FINANCE & ECONOMICS

Treasury-Reserve Accord. Settlement of the dispute between the Treasury and the Fed. Reserve Board over monetary policy and debt management was announced by Treas. Secy. John W. Snyder and FRB Chrmn. Thomas B. McCabe March 3. Their "full accord" resulted in a decision to issue a new series of non-marketable 2¾% Treasury bonds which would be exchanged for \$20 billion worth of outstanding 2½% bonds. Pres. Truman said he was "highly gratified," but Sen. Paul H. Douglas (D., Ill.) declared that "the most important point of all" was left out, "namely whether the Fed. Reserve is obligated . . . to purchase an unlimited quantity of Govt. securities." Such an obligation would be inflationary, he said. Douglas and 5 other Senators of both parties introduced legislation March 6 to give the FRB

overriding authority over credit policies. This authority would take precedence even over Presidential emergency powers. Any actions of the Treasury affecting the public debt would have to be "consistent" with FRB policies under this plan.

Prices of Treasury securities dropped March 5-6 in reaction to the announcement of the new bond series. [See p. 68F-G]

Cotton Price Ceiling. The Office of Price Stabilization March 3 set ceiling prices for raw cotton at 45.76¢ a lb., the highest price of 10 spot markets during the 13 months before the Jan.

COMPANY EARNINGS

(Over \$5 Million)

	Net Income		Per Share	
	1950	1949	1950	1949
B Admiral Corp.	\$18,767,554	\$8,260,153	\$9.73	\$4.26
Allegheny Ludlum Steel	9,814,891	1,967,324	7.07	1.15
Amer. Brake Shoe Co.	5,939,289	3,987,844	5.17	3.22
Amer. Tel. & Tel. (only)	286,802,293	228,003,399	10.40	9.49
Amer. Tel. & Tel. (& subs)	340,962,051	232,855,465	12.58	9.70
Amer. Tobacco Co.	41,732,716	45,675,154	7.17	7.90
Armco Steel Corp.	47,000,505	30,918,202	11.76	7.68
Armstrong Cork Co.	12,433,231	10,224,215	8.13	6.57
Avco Mfg. Corp.	12,635,633	4,150,466	1.65	.54
Babcock & Wilcox Co.	9,452,760	10,755,370	6.70	7.62
Bell Telephone Co. of Pa.	23,332,460	12,612,030	9.52	5.15
Beneficial Ind'l Loan Corp.	9,967,255	8,264,030	3.08	2.76
Budd Co.	18,425,800	14,808,116	5.10	4.05
Burroughs Adding Machine	8,019,916	7,479,698	1.60	1.50
C.I.T. Financial Corp.	30,787,608	26,232,673	8.04	6.81
Certain-teed Products Corp.	6,380,009	4,684,808	3.91	2.83
Chrysler Corp.	127,876,791	132,170,096	14.69	15.19
Cleuett, Peabody & Co.	5,685,714	2,232,119	7.08	2.24
Coca-Cola Co.	31,826,782	37,790,927	7.41	8.76
Commercial Solvents Corp.	5,177,603	3,364,650	1.96	1.28
Combustion Engineering-Super-heater	9,026,495	6,686,772	9.35	6.92
Connecticut Light & Pwr. Co.	5,696,457	5,055,038	1.02	.93
Consolidated Vultee Aircraft	*10,241,644	*3,713,156	4.36	1.60
Container Corp. of America	12,016,626	8,777,328	5.87	4.23
Crucible Steel Co. of Amer.	6,311,254	1,352,765	9.73	*4.35
Dayton Power & Light Co.	6,465,996	5,519,079	2.83	2.78
Detroit Steel Corp.	8,943,140	3,166,822	7.54	3.53
Doehler-Jarvis Corp.	6,968,571	5,775,104	6.53	5.41
Douglas Aircraft Co.	*7,214,440	*5,516,700	12.02	9.19
Eastman Kodak Co.	*61,858,957	*49,770,699	4.50	3.80
Eaton Mfg. Co.	12,722,734	8,259,530	7.10	4.61
Gen. Motors Corp.	*834,044,039	*656,434,232	9.35	7.32
B. F. Goodrich Co.	34,708,355	20,935,738	24.19	14.36
Grumman Aircraft Engineering	6,242,064	3,191,520	3.12	1.59
M. A. Hanna Co.	13,073,515	10,122,106	12.32	9.44
Harbison-Walker Refractories	6,682,207	4,482,681	4.87	3.22
Illinois Power Co.	7,316,000	6,193,279	2.84	3.04
Interlake Iron Corp.	5,746,186	6,153,472	2.94	3.15
Intl. Business Machines Corp.	33,301,308	33,277,332	12.05	12.04
Kendall Co.	5,961,852	5,123,444	7.24	6.19
Lehigh Portland Cement	6,553,702	6,337,111	6.89	6.67
Link-Belt Co.	8,586,675	7,976,597	10.42	9.73
P. Lorillard Co.	6,737,768	6,824,133	2.69	2.73
McLouth Steel Corp.	5,757,342	2,136,123	6.05	2.24
Mesta Machine Co.	5,600,524	5,304,299	5.60	5.30
Minneapolis-Honeywell Regulator	12,500,656	8,021,984	4.78	3.03
Natl. Container	6,658,496	2,587,621	2.41	.95
Natl. Gypsum	9,286,528	5,836,707	4.19	2.57
Natl. Supply	8,367,465	5,660,591	5.53	3.44
Natl. Tea Co.	5,214,563	4,571,935	3.31	2.89
Newmont Mining Corp.	6,295,636	3,900,522	5.92	3.67
Northern Natural Gas	5,837,906	6,064,116	2.13	2.49
Ohio Bell Telephone	19,573,271	16,680,012	6.39	4.29
Pacific Mills	6,127,055	4,113,721	4.30	2.83
Pan American Petroleum & Transp.	20,325,497	13,439,752	6.13	.21
Pittsburgh Steel	6,350,410	844,810	10.02	10.23
Peoples Gas Light & Coke	9,358,222	8,252,051	7.06	6.22
Pure Oil Co.	30,329,084	26,977,116	3.10	1.58
Radio Corp. of America	46,249,865	25,144,279	11.46	4.75
Rayonier, Inc.	12,346,700	5,975,349	8.91	6.09
Rohm & Haas Co.	7,664,915	5,115,877	9.64	7.93
Ruberoide Co.	5,105,312	4,198,300	5.16	5.22
Safeway Stores	14,605,344	14,369,124	3.89	3.03
Scott Paper Co.	7,195,171	5,626,603	5.48	1.20
Scovill Mfg. Co.	7,119,510	1,916,127	1.98	1.43
Shawinigan Water & Power	5,308,301	3,923,129	7.26	4.50
Simmons Co.	8,717,813	5,520,925	6.74	5.23
Southern Bell Tel. & Tel.	31,802,959	22,776,897	2.19	2.20
Southern New England Tel.	6,793,791	5,732,044	8.09	6.72
Standard Oil of Ind.	123,581,477	102,668,228	4.63	5.27
Standard Oil of Ky.	12,072,227	13,718,318	4.78	4.22
Tennessee Steel Spring Co.	9,442,540	6,301,431	1.73	1.65
Tennessee Gas Transmission	12,654,643	8,652,210	7.75	7.14
Texas Gulf Sulphur Co.	25,889,255	23,863,192	7.51	5.37
Thompson Products, Inc.	8,252,459	6,014,748	6.36	1.46
Timken Roller Bearing Co.	15,402,720	3,530,617	3.09	3.69
Union Oil Co. of Calif.	17,177,547	20,356,946	7.54	6.25
United Fruit Co.	66,159,375	54,852,363	1.57	1.43
United Gas Corp.	16,727,438	15,203,519	16.70	13.51
U.S. Gypsum Co.	27,258,518	22,165,608	3.68	4.05
Western Electric Co.	38,646,951	42,565,511	5.70	5.11
Worthington Pump & Machine	5,909,229	5,357,054		

*Year Nov. 30 *53 weeks Dec. 31 *52 weeks Dec. 25 *On preferred
 *Highest ever achieved by a private company; 1950 sales were also a record—\$7,531,086,846—as were taxes of \$1,119,000,000

25 general price freeze. This is 125% of parity and 40% above the prices farmers were getting before the Korean fighting started. The order was amended March 6 by setting a uniform ceiling price of 45.39¢ a lb. on futures trades on cotton exchanges. This paved the way for the opening of the N.Y. Cotton Exchange March 8 after a suspension since Jan. 27. [See p. 36K]

Bomb Plant Site Land Deals. 4 investigations were under way March 6 into 1,280 land transfers in Aiken and Barnwell counties in South Carolina between Nov. 1 and Feb. 20 to determine whether anyone had profited from advance information as to the site of the 250,000-acre, \$600 million hydrogen bomb plant. The site, near the Savannah river, was announced Nov. 28. Investigating were the Atomic Energy Comm., the FBI, the Joint Congressional Atomic Energy Com. and South Carolina. Biggest killing was made by Walter V. Pace, Salt Lake City meat company president, who took options on 91 acres Nov. 27 and 28, then sold the land in February for a \$75,600 profit. The land is near the bomb plant site. Pace said there was "nothing irregular in the deals." [See Vol. X, p. 385J]



ARTS & SCIENCE

NEW YORK THEATER

OPENED

THE AUTUMN GARDEN. Lillian Hellman play about group of frustrated, middle-aged people in Gulf Coast resort who find they have no choice but to make the best of a bad bargain. Staged by Harold Clurman. Produced by Kermit Bloomgarden. Cast headed by Fredric March, Florence Eldridge, Jane Wyatt, Ethel Griffies, Kent Smith. March 7 at Coronet. (3-5-0)*

MARY ROSE. Revival of J. M. Barrie's fantasy about girl who visits enchanted island where time stands still and returns to find that everybody has grown older except her. Staged by John Stix. Presented by Helen Haves as 6th in current ANTA series. Cast headed by Bethel Leslie, Patricia Collinge, Leo G. Carroll. March 4 at ANTA Playhouse. (5-3-0)*

THE MOON IS BLUE. F. Hugh Herbert comedy about beautiful young girl and 2 admirers: a nice young man and a middle-aged libertine. Staged by Otto Preminger. Produced by Aldrich & Myers and Preminger. The cast: Barbara Bel Geddes, Barry Nelson, Donald Cook, Ralph Dunn. March 8 at Henry Miller's Theater. (7-1-0)*

CLOSED

THE SMALL HOURS. 20 performances, March 3. [See p. 63B-C]

*1st figure—favorable reviews; 2d—mixed; 3d—unfavorable [See pp. 71M, 23G]

NEW BOOKS

COME HOME AT EVEN. by LeGrand Cannon Jr. Novel set in New England in 17th century. March 5. (Holt, 283 pp., \$3)*

FORT EVERGLADES. by Frank G. Slaughter. Novel about Indian war in Florida in 1840. March 1. (Doubleday, \$3)*

LAIRD'S CHOICE. by Rosamond Marshall. Novel set in Scotland in 18th century. March 6. (Prentice-Hall, \$2.75)*

THE LIFE OF JOHN MAYNARD KEYNES. by R. F. Harrod. Biog. of late English economist. March 5. (Harcourt, Brace, 674 pp., \$7.50)*

NEITHER FIVE NOR THREE. by Helen MacInnes. Novel about Red infiltration of New York magazine. March 1. (Harcourt, Brace, 340 pp., \$3)*

NEW YORK '22. by Ilka Chase. Novel about New York society. March 8. (Doubleday, \$3)*

THE STORIES OF F. SCOTT FITZGERALD. selected by Malcolm Cowley. 28 stories by late novelist. March 5. (Scribners, 473 pp., \$3.75)*

*Fiction †Non-fiction

NEW EXECUTIVES

Organization	Executive	Post	Date
Academy of Natural Sciences, Philadelphia	M. Albert Linton	Pres.*	Jan. 3
American Museum of Natural History, New York	Alexander M. White, 46	Pres.†	Jan. 30
Associated Universities, Inc.	Dr. Lloyd V. Berkner, 46	Pres.	Feb. 8
	Dr. George B. Pegram	Chrmn.	Feb. 8
Assn. of Motion Picture Producers	Y. Frank Freeman	Chrmn.‡	Feb. 6
	Eric Johnston	Pres.§	Feb. 6
Boston Museum of Fine Arts	Ralph Lowell	Pres.	Jan. 30
City Center of Music & Drama, New York	Mayor Vincent Impellitteri	Pres.	Jan. 2
Encyclopaedia Britannica, Inc.	Robert C. Preble	Pres.	Jan. 11
Euthanasia Society of America	Mrs. Robertson Jones	Actg.	
		Pres.	Jan. 15
Macfadden Publications, Inc.	Harold A. Wise	Pres.¶	Feb. 25
Natl. Institute of Arts & Letters	Douglas Moore	Pres.§	Jan. 17
Oklahoma City Symphony Orch.	Guy Fraser Harrison, 56	Conductr.	Mar. 3
Soviet Academy of Sciences	Alexander Nesmeyanov, head of Moscow U.	Pres.	Feb. 16

*Succeeds Charles M. B. Cadwalader †Succeeds F. Trubee Davison who retires Oct. 29 ‡Non-profit corporation formed by 9 Eastern universities to run Brookhaven Natl. Laboratory, Upton, N.Y. §Reelected ¶Effective April 25

BEST-SELLING BOOKS

(From N.Y. Herald Tribune March 4; based on national sales)

FICTION: Frances Parkinson Keyes' "Joy Street," Budd Schulberg's "The Disenchanted," James Ramsey Ullman's "River of the Sun," Anya Seton's "Foxfire," Taylor Caldwell's "The Balance Wheel."

NON-FICTION: Thor Heyerdahl's "Kon-Tiki," Gaylord Hauser's "Look Younger, Live Longer," "Boswell's London Journal," Lowell Thomas Jr.'s "Out of This World," Desmond Young's "Rommel." [See p. 47P]

OBITUARIES

Henry W. (Harry) Armstrong, 71, composer of the music for *Sweet Adeline*, *Nellie Dean*, *Jimmy Walker's Goodbye, Eyes of Blue*, *I Love My Wife*, *But Oh You Kid*; Feb. 28 in New York.

Thurlo J. Campbell, 59, chairman of Valspar Corp.; March 3 in Rockville Centre, N.Y.

Sen. Virgil M. Chapman (D., Ky.), 55, who won Vice Pres. Barkley's Senate seat in 1948 after 22 years in House; March 8 in Bethesda (Md.) Naval Hospital from injuries suffered when his car collided with a trailer-truck. His death cut Democratic membership in the Senate to 48, against 47 Republicans. [See Vol. X, p. 368C; VIII, 357A]

Ray Hills Davenport, 77, a leader in development of modern railway tank car; March 1 in Elizabeth, N.J.

Alberto Dodero, 65, Uruguayan-born Argentine shipping and airline leader; March 2 in Montevideo, Uruguay of heart attack. [See Vol. X, p. 404L-M; VIII, 248G]

Eleanor Gates, 75, novelist, playwright (*The Poor Little Rich Girl*); March 7 in Los Angeles. A car struck her.

Dr. Henry Solon Graves, 80, retired dean of Yale Forestry School, ex-chief U.S. Forestry Service; March 7 in Brattleboro, Vt.

Dr. William D. Harkins, 77, who evolved theory in 1915 that hydrogen liberates energy when transformed into helium, now basic idea behind hydrogen bomb; March 7 in Chicago.

Walter Renwick Knox, 73, Canadian ex-track-&-field star, ex-Olympic coach; March 3 in St. Petersburg, Fla. of stroke.

Ernest Murphy, 67, English-born ex-pres. of Pressed Steel Car Co.; March 4 in Wilton, Conn. of heart attack.

C. Powell Minningerode, 74, director emeritus of Corcoran Gallery of Art; March 1 in Washington.

Ivor Novello, 57, British musical comedy star, composer, producer, dramatist; March 6 in London of a thrombosis. One of his best-known songs: *Keep the Home Fires Burning*.

A. Perry Osborn, 66, N.Y. attorney, 1st vice pres. of American Museum of Natural History; March 6 in Tucson, Ariz.

John Morris Perry, 85, N.Y. lawyer who was key figure in unsuccessful 1934-35 suit against New Deal Govt.'s abandonment of gold standard; March 1 in New York of heart attack.

Prince Rangsit of Chainat, 67, Regent of Thailand, last of 85 sons of late King Chulalongkorn; March 6 in Bangkok. [See Vol. VI, p. 200N]

Sir Percy Malcolm Stewart, 78, British industrialist, advocate of welfare programs; Feb. 27 in Sandy, Eng.

Sir Arthur William Street, 58, deputy chairman of Britain's Natl. Coal Board, ex-Cabinet member; Feb. 24 in London.

Norman M. Tucker, 47, former marketing director of Intl. Bank for Reconstruction & Development; Feb. 23 in Istanbul.

Vsevolod Vishnevsky, 50, Russian dramatist who won a 1950 Stalin Prize for *The Unforgettable 1919*; Feb. 28 in Moscow.

Dame Ethel Walker, 89, Edinburgh-born painter who rebelled against Royal Academy standards; announced March 3 in London.

Mrs. B. Y. Williams, poet (*House of Happiness*, *What Else Matters*), editor of *Talaria*; Feb. 15 in Cincinnati.



SPORTS

Basketball. College conference champions:

EASTERN (IVY)—Columbia, undefeated in 22 games this year, winner of 32 straight over 2 seasons. **BIG 10**—Illinois. **SOUTHERN**—N.C. State won regular race and tournament (finals March 3). **SOUTHEASTERN**—Kentucky won regular race, lost to Vanderbilt 61-57 in tourney finals March 3. **MO. VALLEY**—Okla. A&M. **BIG 7**—Kansas State. **SOUTHWEST**—Texas, Tex. A&M, TCU tied. **SKYLINE**—Brigham Young. **BORDER**—Arizona. **PACIFIC COAST**—UCLA (Southern Div.), Washington (Northern Div.).

Nation's 10 top teams (AP poll March 6): 1—Kentucky. 2—Okla. A&M. 3—Columbia. 4—Kansas St. 5—Illinois. 6—Bradley (Peoria, Ill.) 7—Indiana. 8—N.C. State. 9—St. John's (Brocklyn). 10—St. Louis.

Natl. Basketball Assn. of Amer. (pro) all-star game in Boston March 2: East 111, West 94. [See Vol. X, pp. 428J-K, 88K, 80F]

Louis Lipman, 26, of Hollywood, Fla., ex-LIU player, was arrested in New York March 2 and charged with taking a \$300 bribe to fix an LIU game Jan. 1, 1949. He was the 11th player arrested in the LIU-CCNY-NYU basketball scandal. The NCAA Council in Chicago recommended March 2 that NCAA schools keep their teams out of Madison Sq. Garden unless games there are under "effective control" of the colleges, not the Garden management. [See p. 72L]

Soll Leon Rappaport, 25, Brooklyn button manufacturer, was arrested March 7 and charged with trying to bribe Manhattan College players to fix a game with De Paul Jan. 16. [See p. 40A]

Ken Flower, 19, a USC player, reported in Los Angeles March 4 he was offered \$1,500 by Albert R. Scroggins, 31, to help throw a game with UCLA which USC won. Scroggins was arrested.

Bobsledding. U.S. Olympic trials at Lake Placid, N.Y.: Stan Benham & Pat Martin won 2-man event March 3; Benham, Martin, Jim Atkinson & Howard Crossett won 4-man March 4 and set world records of 1 min. 12.58 secs. for a one-mile heat, 4 mins. 51.9 secs. for 4 one-mile heats. [See p. 56F-G]

Boxing. Ezzard Charles, 29, of Cincinnati retained his world heavyweight title by outpointing Jersey Joe Walcott, 37, of Camden, N.J., in 15 rounds in Detroit March 7. It was Walcott's 4th chance at the title. [See p. 24F; Vol. X, 388H]

Golf. \$10,000 St. Petersburg (Fla.) open March 4: won by Jim Ferrier of San Francisco, for \$2,000. [See p. 72F-G] . . . South Atlantic women's amateur in Ormond Beach, Fla. March 3: won by Polly Riley. [See p. 56H]

Horse Racing. \$100,000 Santa Anita Handicap in Arcadia, Calif. March 3: won by Moonrush, owned by Anita King and Mr. & Mrs. Gus Luellwitz, Johnny Longden up, for \$100,000. . . . \$68,600 Flamingo Stakes at Hialeah (Miami) March 3: won by Mrs. Walter M. Jeffords' Yildiz, Warren Mehrtens up, for \$50,000. [See p. 72G] . . . \$20,000 Louisiana Derby at Fair Grounds, New Orleans March 3: won by Thomas G. May's Whirling Bat, Pete Anderson up.

Skiing. Nordic combined Olympic tryouts at Rumford, Me. March 3-4: Ted Farwell Jr. of Steamboat Springs, Colo. won jump and combined, Robert Pidacks of Maine U. won cross-country. [See p. 72H]

Track & Field. Columbian Mile feature of Knights of Columbus Games in New York March 3: Fred Wilt defeated Don Gehrmann, who had won 39 consecutive mile races; time 4 mins. 8.4 secs. [See p. 72K] . . . Big 10 Conf. indoor championships in Champaign, Ill. March 3: Illinois won team title. [See Vol. X, p. 80F] . . . Heptagonal championships in New York March 2: Army (West Point) won team title. [See Vol. X, p. 80K]

Florida Slows Race News. In an effort to discourage off-track gambling, the Florida State Racing Comm. ruled Feb. 17 that race results may not be transmitted by news services from Florida tracks until 20 minutes after they are posted. Exceptions: last races daily, Saturday features. [See Vol. X, p. 425B]

Douglas C. (Peahead) Walker, 49, Wake Forest coach 14 years, was named asst. Yale football coach March 4.

MISCELLANEOUS

Iowa Air Crash. 16 persons were killed, 9 survived with injuries when a Mid-Continent Airlines DC-3 crashed while landing at Sioux City, Iowa in a snowstorm March 2. [See p. 72N]

Drug Rings. 26 persons, 5 of whom were unidentified, were indicted by a Federal grand jury in New York March 5 as members of a ring that smuggled Greek and Turkish narcotics into the U.S. via Mexico during 1945-50. Alleged leaders: Harold Meltzer (alias Happy Freed), 40, associate of West Coast racketeer Mickey Cohen, and Max Crossman (alias Max Weber), 54, of Mexico City. Meltzer was arrested in Los Angeles.

48 persons were arrested in Detroit Feb. 24 for selling marijuana and heroin to high school students. [See p. 48L-M]

Pearson Sues. Drew Pearson sued Sen. Joseph R. McCarthy (R., Wis.), Fulton Lewis Jr., Westbrook Pegler, 5 others and the *Washington Times Herald* for a total of \$3.6 million in damages in Washington March 2. The suit grew out of his fight with McCarthy in a Washington club last December and statements of the defendants since. [See pp. 48P, 20K]